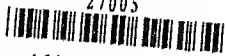


# IMPACT OF TOURISM IN THE Economic Development of Uttarakhand : A Study

**G. S. MENTA**

GIDS Library

27005



1910.09542 MEH

I

10.09542

MEH

**GIRI INSTITUTE OF DEVELOPMENT STUDIES**

Sector O, Aliganj Housing Scheme

**LUCKNOW - 226 024**

**1997**

WORKING PAPER NO.136

IMPACT OF TOURISM IN THE  
ECONOMIC DEVELOPMENT OF  
UTTARAKHAND: A STUDY

G.S. MEHTA



GIRI INSTITUTE OF DEVELOPMENT STUDIES  
Sector 'O', Aliganj Housing Scheme  
LUCKNOW 226 024

1997

IMPACT OF TOURISM IN THE  
ECONOMIC DEVELOPMENT OF  
UTTARAKHAND : A STUDY\*

G.S. MEHTA.

INTRODUCTION

It has been universally recognised that the development of tourism contributes favourably to economic development. The increasing volume of tourists in different tourist centres considerably reflects in the increased demand for several kinds of goods and services to a certain extent. As a consequence, promotion of tourism favourably tends to widen the opportunities of local people in terms of the expansion and opening of different types of productive activities at different tourist centres so as to meet the increasing demands of tourists. In this manner tourism has a direct contribution in the economic development of tourist areas and in creating additional employment opportunities and raising the income levels of the different segments of people

---

\* The paper is a part of the research project 'Impact of Pilgrimage Tourism on the Economy of Hill districts; Sponsored by Uttarakhand Development Department, Govt. of U.P.

residing in and around the tourist centres. Thus it may be wise to argue that the distribution of income among different factors of production, labours of different skills and among different regions of the country could be altered by developing tourist industry.

However, the level of contribution and the impact of tourism in the economic development on one hand and increasing the volume of gainful employment opportunities on the other hand for area specific objectives, is determined by the extent and capacity of tourist centres to supply the required demands of tourists for different kinds of goods and services. Perhaps, in selecting a destination the tourists take into account mainly three component of tourists site : (a) its inherent attraction; (b) its hospitality or the range and quality of facilities and services provided; and (c) its accessibility. They together give a destination it's tourist magnetic atmosphere. But the basic and most general demand of tourists consists of the facilities of tourist guide, transportation, lodging and boarding, adventures and recreation, availability of different types of goods and services for the purpose of local consumption of tourists, area specific items and several other basic infrastructural facilities. In details, the level and the extent of contribution of tourism to the economic development of tourist centres is determined by the demand conditions of

various goods and services of tourists and the pattern of supply for meeting these demands in local situations.

Thus the major contribution of tourism has to be emphasized in terms of economic benefits which could be derived and the extent of the creation of additional level of employment in the tourist centres. At the same time development of tourism by integrating it with different activities linked with the tourism sector could possibly enhance the overall economic change in more prosperous manner. And this process would widen the opportunity on the basis of much integrated approach would have a multiplier effect on the process of development. The more significant approach of developing tourism also lies on planning by integrating various institutional networking and activities keeping in view to enhance the spending of tourists at increasing level on different components of tourist supporting activities.

The flow of money generated by tourist spendings multiplies as it passes from various sections of the economy. In addition to important source of earnings, tourism provides a number of other economic benefits which vary in importance from one location to another and also depending upon the nature and scale of tourism. From the view point of multiplier effects of tourism in the process of overall economic development and social change it can be argued that

the benefit derived from the development of infrastructural facilities - justified primarily for tourists - is generally shared by other sectors of economy as well. As a result of the utilization of these facilities which are provided on the ground of tourist development the various sectors of economy also enjoy significant advantages in their process of development. At the same time several other facilities such as sources of recreation, transport, hotel, etc. which are developed at the cost of tourism are widely utilized by local residents to improve their socio-economic conditions, and various enterprises and business houses so as to maximise their own benefits in the form of increased income and the margine of profit.

The most important contribution of tourism to be well recognised in terms of reducing regional inequalities in the pattern of income distribution, employment opportunities and the process of economic development. The United Nations Conference on International Travel and Tourism held in Rome in 1963 had well articulated the fact that the tourism is important not only as a source of foreign exchange but its importance can be equally regarded as a factor in the location of industry and in the development of less developed regions. It was also argued that in some cases the promotion of tourism and tourism related activities may be the only solution of promoting the economic advancement of less developed areas lacking in other resources.

Recognising the remarkable importance of tourism sector in the perspectives of economic development at regional level the emphasis to promote tourism has been increased significantly around the world. In fact, the tourism sector has been categorised as an industry by various countries and different types of promotional packages and programmes, in the form of subsidies, incentives and other basic facilities as are introduced to facilitate the development of industrial sector for specific regions are also made applicable for tourism sector, such that this sector may become a viable economic activity in the perspective of required development. However, little information is readily available about the impact and contribution of different types and categories of tourism; i.e. pilgrimage, adventure, recreation, etc. on the economy of different tourist spots/centres on one hand and at regional level on the other.

#### THE PRESENT STUDY

The present study, therefore, is an attempt to investigate and examine the particular existing gap of information through a primary survey conducted by us in Garhwal division of Uttarakhand in Uttar Pradesh. However, before attempting the main objectives of the study, i.e. impact and contribution of tourism on the economy of the

area, it will be desirable firstly, to highlight the existing socio-economic conditions of the region.

The Uttarakhand region, comprising eight hill districts situated in the Central Himalayan Zone, is among the most under-developed region of India. For the administrative and development planning purposes the region is divided into two commissionerships : Garhwal and Kumaun. Agriculture activity is the main source of livelihood of the population and is more or less, providing employment opportunities and the avenues of income to the labourforce. However, the agriculture sector by itself is not capable to provide productive and full time employment to the labourforce engaged on it due to constraints imposed on its development by nature and very low level of per hectare productivity. Even then the pressure of population is unprecedentedly increasing on it due to non-availability of employment opportunities in other economic sectors such as secondary and tertiary sectors of the economy. Thus the low level of agricultural productivity and lack of productive employment opportunities in the region have forced the condition of underemployment and disguised employment.

The geographical area of the region is about 51.13 sq. kms. and the population as per 1991 census is 5.87 millions. Around 63 per cent of workforce and 92 per cent of the population is depending on agriculture for their livelihood.



in the region. The average size of land holdings is very small (0.99 hectare) and per cultivator net area sown accounts for 0.61 hectare. Average yield rates of foodgrains per hectare of land area are estimated to be only 14.60 qtls. Per capita net domestic production, at constant prices of 1980-81, is estimated to be around Rs.1030. However, the respective figures at current prices work out to be Rs.1810.15 for the year 1988-89.

Creation of employment opportunities and the avenues of income through the development of industrial activities is also believed to have only a limited scope. Even after the introduction and provision of various packages of development programmes and facilities in the form of incentives and subsidies for the promotion of industrialisation in the region, the region has remained industrially backward till today. In the region only 247 industries, constituting around 14 per cent of the total registered industries of the state, are located. Of which over 87 per cent industries alone are located in the plain areas of district Dehradun and Nainital. The figure of the number of persons employed per lakh of population in manufacturing sector in Uttarakhand is estimated to be only 441 as against 681 persons at state level. Accordingly the percentage share of manufacturing sector in the net domestic output of Uttarakhand is only 11 per cent as against 22 per cent for the state as a whole.

Thus it has been well accepted fact that neither the agricultural nor the industrial sector could be the potential economic sectors in the perspectives of Uttarakhand development - at least presently emerging stage of development of these productive sectors. Also, it is a very difficult task to promote industrialisation and increase the productivity level in the farm sector so as to meet the demands of employment in accordance to the increase of population and its increasing addition to the labourforce in the region. As has been witnessed, Uttarakhand is suffering from population pressure and abundance of labourforce, not skilled in those lines for which there is a growing demands. Paucity of physical capital is also an important bottleneck to utilize such labourforce. As a result service sector is beginning to become important as a source of employment since labour absorption rate or labour output ratio is relatively high in this sector in relation to primary or secondary sector. As a service sector of the economy, tourism has certain advantages in absorbing locally available labourforce in different tourism related activities at various tourist places of the region. Besides this, tourism is important in terms not only for the employment avenues it creates and sustains but also in the cost-benefit ratio since it employs labourforce with low or no opportunity costs.

### THE OBJECTIVES

In this light the present study, based on primary data and personal discussions held with the local people in the sample areas, attempts to highlight the presently emerging situation and impact of tourism industry on the process of economic development in different tourist centres. Beside this it is also attempted to investigate the aspect related to the possible development prospects of tourism in the sample areas and the measures to be undertaken in favour of its development in the future planning strategies.

### THE METHODOLOGY AND THE SAMPLE

The study was undertaken in the Garhwal Division of Uttarakhand. The impact of tourism is assessed at the different tourist centres and on the tourist route of Kedarnath and Badrinath starting from Srinagar to Joshimath. A listing of all different types of activities, both economic and service sectors which, are directly or indirectly linked with the tourism sectors, was firstly carried from different halting and tourist centres of this route. Thereafter a sample of about 9 per cent different types of economic activities was selected from different centres for detailed study. The relevant information regarding the possibilities and prospects of development of tourism and its general impact on the socio-economic setting of different tourist centres was also collected through personal discussions with

the social workers and other local people in different halting centres of tourists and the people of neighbouring villages of tourist routes.

#### DEVELOPMENT OF ECONOMIC ACTIVITIES

On the route of Kedarnath and Badrinath shrines various small towns have emerged where different types of establishments, both commercial and service, have been opened by both local residents as well as people from outside Uttarakhand. There are 1876 different types of establishments on these routes. However, a majority of them are involved in selling of vegetables/fruits and general consumer's items (27 per cent) followed by hotels and restaurants (20 per cent). The main halting centres of tourists on the Badrinath and Kedarnath routes are Srinagar, Rudraprayag, Gochar, Karnprayag, Nandprayag, Chamoli, Peepalkoti and Joshimath. Srinagar is well developed and the largest town among different towns located on these routes where different types of basic infrastructural facilities are well developed and available to the tourists. Therefore, Srinagar is the main halting centre of the tourists entering into Garhwal from the side of Haridwar. Contrary to this, the development of Srinagar has taken place mainly as a result of its location as a halting centre for the tourists. Since tourists starting from Haridwar in the morning reach Srinagar in the evening they are forced to stay at this

Table 1 : NUMBER OF ESTABLISHMENTS AT DIFFERENT HALTING CENTRES OF TOURISTS

Halting Centres	Numbers of Establishments by types							
	Board- ing & lodging and hotels tea stalls	Eating Hotels and tea stalls	Veget- ables, fruits & gene- ral shops	Cloth tailor- ing & paan beedi shops	Service Establ- ishment	Repai- ring & other shops	Auto/ motor repari- ng & photo- graph- ers	All estab- lish- ments
Srinagar	36 ( 5.14)	74 (10.67)	177 (25.29)	152 (21.71)	84 (12.10)	146 (20.86)	31 (4.43)	700 (100.0)
Karn- prayag	15 ( 5.21)	35 (12.15)	78 (27.08)	58 (20.14)	37 (12.85)	49 (17.01)	16 (5.56)	288 (100.0)
Joshi- math	39 (14.18)	34 (12.36)	81 (29.46)	34 (12.36)	28 (10.19)	47 (17.09)	12 (4.36)	275 (100.0)
Rudra- prayag	14 ( 5.22)	33 (12.31)	91 (33.96)	44 (16.42)	40 (14.93)	40 (14.93)	6 (2.21)	268 (100.0)
Gochar	4 ( 2.88)	24 (17.27)	46 (33.09)	29 (20.86)	15 (10.79)	18 (12.95)	3 (2.14)	139 (100.0)
Peepal- koti	14 (15.38)	24 (26.37)	10 (10.99)	11 (12.09)	15 (16.48)	15 (16.48)	2 (2.21)	91 (100.0)
Nand Prayag	3 ( 5.16)	14 (24.14)	14 (24.14)	9 (15.52)	7 (12.07)	7 (12.07)	4 (6.90)	58 (100.0)
Chamoli	6 (10.53)	9 (15.79)	9 (15.79)	17 (29.85)	7 (12.28)	7 (12.28)	2 (3.51)	57 (100.0)
All Centres	131 ( 6.98)	247 (13.17)	506 (26.97)	354 (18.88)	233 (12.42)	329 (17.53)	76 (4.05)	1876 (100.0)

Note : Figures in brackets indicate the percentages of total establishments of respective centre

place. Therefore, we found 29 per cent of the total hotels and restaurants located on the Kedarnath and Badrinath route are in Srinagar alone. In all, there are 700 different types of shops and establishments in this town. The second most important halting centre of tourists is Joshimath which is located about 40 kms. before the Badrinath shrine.

It was observed that the development of tourism in Garhwal has given the opportunity to local people for the establishment of different types of activities in different halting centres of the tourists. In fact a majority of the farming community people were observed to be engaged in the supply of their farm produce in different halting centres of the tourists. Some of the vegetable and fruit sellers were found bringing fruits and vegetables from their own farms as well as from the farms of neighbouring households of the concerned villages for the sale in these centres. Similarly the owners of tea stalls and sweet shops bring milk from the villages for the preparation of milk products. The farmers of nearby areas of these centres were also seen involved in the sale of milk and agricultural produce to the shopkeepers in the markets. In all over 92 per cent of the owners of the different establishments in the tourist centres belong to neighbouring villages. This proportion is highest in Nandprayag (83.33 per cent) followed by Peepalkoti (75 per cent) and Gochar (69.23 per cent). The local people have mainly opened vegetables, fruits and tea shops in these halting centres.

A look at the pattern and trend of the opening of different activities in these centres reveals that a significantly high proportions of the activities were set up during the period 1980-90 (47.67 per cent) followed by 24.42 per cent activities after 1990 and 19.19 per cent establishments during 1970-80 while only 8.72 per cent establishments were started before 1970. This indicates the fact that the flow of tourism is significantly increasing in this region after 1980 and this has given increasing opportunities to the local people to start different types of economic activities at the different halting centres of the tourists.

#### EMPLOYMENT OPPORTUNITIES

It is further noted that the development of tourism in the region has created employment opportunity for a sizeable number of unemployed. It is found that around 38 per cent of the owners of different establishments have reported to have started concerned activities due to non availability of any employment opportunity. This proportion is highest in Joshimath (56.52 per cent) followed by Karnprayag (48.15 per cent) and Gochar (46.15 per cent). A second category of entrepreneurs of these establishments have reported (27 per cent) that present activities were started as a result of having good earning opportunities in the respective tourist centres.



The establishment of different economic activities in the different halting centres of tourists have not only provided employment opportunities to the local people by way of opening different activities but a sizeable number of unemployed youths have also found employment in these activities as wage paid employees. There were 337 workers

Table 2 : DISTRIBUTION OF ESTABLISHMENTS BY YEAR OF STARTING BUSINESS

Centre	Year of Establishment					Total Establishments
	Not known	Before 1970	1970-80	1980-90	1990	
Srinagar	-	4 ( 6.06)	11 (16.67)	29 (43.94)	22 (33.33)	66 (100.0)
Karn-prayag	-	3 (11.11)	3 (11.11)	12 (44.45)	9 (33.33)	27 (100.0)
Joshi-math	-	4 (17.39)	6 (26.09)	10 (43.48)	3 (13.04)	23 (100.0)
Rudra-prayag	-	3 (12.00)	8 (32.00)	13 (52.00)	1 ( 4.00)	25 (100.0)
Gochar	-	-	2 (15.38)	6 (46.16)	5 (38.46)	13 (100.0)
Peepal-koti	-	-	1 (12.50)	7 (87.50)	-	8 (100.0)
Nand Prayag	-	-	1 (16.67)	3 (50.00)	2 (33.33)	6 (100.0)
Chamoli	-	1 (25.00)	1 (25.00)	2 (50.00)	-	4 (100.0)
All Centres	-	15 ( 8.72)	33 (19.19)	82 (47.67)	42 (24.42)	172 (100.0)

Note : Figures in brackets are percentages to totals.



Table 3 : REASON FOR UNDERTAKING THE BUSINESS

Centre	Traditional family occupation	Could not find job	Good Earning Opportunities	Others*	Total
Srinagar	13 (19.70)	22 (33.33)	29 (43.94)	2 (3.03)	66 (100.0)
Karn-prayag	6 (22.23)	13 (48.15)	4 (14.81)	4 (14.81)	27 (100.0)
Joshi-math	9 (39.13)	13 (56.52)	-	1 (4.35)	23 (100.0)
Rudra-prayag	10 (40.00)	8 (32.00)	4 (16.00)	3 (12.00)	25 (100.0)
Gochar	3 (23.08)	6 (46.15)	4 (36.77)	-	13 (100.0)
Peepal-koti	3 (37.50)	2 (25.00)	2 (25.00)	1 (12.50)	8 (100.0)
Nand Prayag	2 (33.33)	2 (33.34)	2 (33.33)	-	6 (100.0)
Chamoli	2 (50.00)	-	1 (25.00)	1 (25.00)	4 (100.0)
All Centres	48 (27.91)	66 (38.37)	46 (26.74)	12 (6.98)	172 (100.0)

\*Own choice

Note : Figures in brackets are percentages to total numbers of establishments.

employed in 172 sample establishments accounting for around two workers per establishment. However, per unit employment was highest in Nandprayag (2.7 persons) followed by 2.5 persons in Peepalkoti and 2.2 persons in Karnprayag. Also there were 13.06 per cent establishments in which the average employment per unit was above 5 persons while the highest proportion of the establishments (31.06 per cent) were employing 3 to 5 persons. Remaining establishments were employing less than 3 workers. Per day average wages paid to the workers employed in different establishments were estimated to be Rs.18.79. The wages ranged from a high of Rs.35 in Peepalkoti followed by Rs.25 each in Karnprayag, Joshimath and Nandprayag while they were lowest in Srinagar (Rs.17.31). It was further pointed out that the workers employed in different establishments find employment opportunity for about 131 days in a year. However, this figure was much higher for workers in Rudraprayag (293 days) followed by 198 days for Srinagar.

Thus, the overall impact of tourism in providing employment opportunities with the establishments of different types of economic activities is well witnessed by the fact that people living in neighbouring villages of these tourist centres are increasingly opening different types of shops and establishments and providing various types of goods as per the demands of tourists. During the tourist season the entrepreneurs of the different establishments are providing employment to local unemployed also. It may also be pointed

Table 4 : SIZE OF EMPLOYMENT

Centres	Size of Employment (in Numbers)						
	1	1-3	3-5	5+	Total Units	Employment	
						Total	Per Unit
Srinagar	51 (40.48)	30 (23.81)	27 (21.43)	18 (14.28)	66	126 (100.0)	1.90
Karn- prayag	10 (16.67)	15 (25.00)	23 (38.33)	12 (20.00)	27	60 (100.0)	2.20
Joshi- math	8 (19.51)	12 (29.27)	15 (36.59)	6 (14.63)	23	41 (100.0)	1.80
Rudra- prayag	15 (31.91)	10 (21.29)	15 (31.91)	7 (14.89)	25	47 (100.0)	1.90
Gochar	5 (26.32)	10 (52.63)	4 (21.85)	-	13	19 (100.0)	1.50
Peepal- koti	2 (10.00)	8 (40.00)	10 (50.00)	-	8	20 (100.0)	2.50
Nand Prayag	2 (12.50)	5 (31.25)	8 (50.00)	1 (6.25)	5	16 (100.0)	2.70
Chamoli	2 (25.00)	3 (37.50)	3 (37.50)	-	4	8 (100.0)	2.00
All Centres	95 (28.18)	93 (27.79)	105 (31.06)	44 (13.06)	172	337 (100.0)	1.96

Note : Figures in brackets are percentages to totals

out that the development of economic activities, which can cater to the demands of tourists to a large extent, could be an important measure for the creation of employment opportunities in different halting centres of the tourists. It may be thus suggested that special programmes be introduced to motivate the farmers living in nearby villages of the tourist centres for growing more and more fruits and vegetables which may be brought to the respective tourist centres for meeting the demands of the tourists during the peak tourist season. Since it was reported that a significant number of tourists bring fruits and vegetables with them from Haridwar, Haldwani and Koldwar markets for their own consumption to the places of their night halt. This is because during peak season the basic commodities, particularly fruits and vegetables are not available in adequate quantity and the shortage leads to rise in price of all these commodities.

#### ECONOMIC IMPLICATIONS

Development of tourism in different pockets of the region has considerably been attributed to the increasing contribution in the incomes of farming households those who are living neighbouring areas of the halting centres of the tourists. The farmers have received the advantages of finding reasonable prices for favour of their agricultural produce, milk, fruits and vegetables in these centres.

Table 5 : SOURCE OF GOODS/ARTICLES HANDLED

(Value in Rs.)

Centre	Place of Procurement by Value of Goods/Articles							
	Value of Articles handled	Own Pro-duced	Nearby Villages	Nearby Towns	Outside Hills	Origin of Goods		Per Unit procurement of goods
						Local	Outside	
Srinagar	6878673 (51.97)	-	315220 (4.58)	1762293 (25.62)	4801160 (69.80)	315220	6563453	104222
Karn-prayag	1402700 (10.60)	-	49000 (3.49)	316200 (22.54)	1037500 (72.96)	49000	1353700	51952
Joshi-math	1264200 ( 9.55)	-	138700 (10.97)	73000 ( 5.77)	1052500 (83.25)	138700	1105500	54965
Rudra-prayag	1975392 (14.92)	-	148200 ( 7.50)	666992 (33.77)	1160200 (58.73)	148200	1827192	79016
Gochar	432075 ( 3.31)	-	5500 ( 1.26)	287000 (65.51)	145575 (33.23)	5500	432575	33698
Peepal-koti	445000 ( 3.36)	-	72000 (16.18)	172000 (38.65)	201000 (45.17)	72000	373000	44500
Nand Prayag	219000 ( 1.65)	-	-	14000 ( 6.39)	205000 (93.66)	-	219000	36500
Chamoli	613600 ( 4.64)	-	9000 (1.47)	-	604600 (98.53)	9000	604600	153400
All Centres	13236640 (100.00)	-	737620 (5.57)	3291485 (24.87)	9207535 (69.56)	737620 (5.57)	12499020 (14.43)	76957

Note : Figures in brackets are percentages to respective totals

Though the contribution of the goods with local origin to the overall supply of different economic activities taken together in all halting centres of the tourists is estimated to be only 5.57 per cent. The contribution of vegetables, fruits, tea and general items together is noted to be as high as 53 per cent. It should, however, be mentioned that a major quantity of fruits and vegetables in the region is being supplied from outside region, particularly from Haldwani and Kotdwar mandis.

The contribution of local supply in the total volume of goods handled by different types of establishments is highest in Peepalkoti (16.18 per cent) followed by Joshimath (10.97 per cent). Both these towns are nearer the Badrinath shrine as compared to remaining six towns. It was found that local goods handled by the different establishments in these centres were seasonal fruits, milk and flowers. Some eating houses were also found involved in the preparation of food items based on locally available foodgrains and vegetables.

A very serious drawback is observed in terms of the non-availability of any important locally manufactured goods which the tourists can buy and take back with them. The sole exception being some woollen products such as sweaters, shawls, carpets, chutka, etc. which are produced by local artisans and are available in different towns of the region. The main beneficiaries receiving economic benefits derived as

Table 6 : SUPPLY OF GOODS AND ARTICLES IN THE TOURIST CENTRES

Type of Establishment	Place of Procurement (Value in Rs.)							
	Value of articles handled	Own pro-duced	Nearby Village	Nearby Town	Outside Hills	Origin of Goods		Per Unit procure-ment of goods
						Local	Outside	
Eating/Tea Stall	1971891 (14.90)	-	303700	967413	700778	303700 (15.40)	1668191 (84.68)	89631
Vegetable, Fruit & General Stores	4978110 (37.61)	-	391220	1290890	3296000	391220 (7.86)	4586890 (92.14)	99562
Tailoring & Cloth shops	3467340 (26.20)	-	-	568940	2898400	-	3467340 (100.00)	96315
Service	1380775 (10.43)	-	3200	264940	1112635	3200 (0.23)	1377575 (99.77)	62762
Repairing & Other Shops	1106552 ( 8.36)	-	39500	129952	937100	39500 (3.57)	1067052 (96.43)	32546
Auto Repairing & Photographic	331972 ( 2.51)	-	-	69350	262622	-	331972 (100.00)	41496
All Establish-ments	13236640 (100.00)	-	737620	3291485	9207535	737620 (5.57)	12499020 (94.43)	769572

Note : Figures in brackets are percentages to total good handled in respective centres



a result of tourism are thus the owners of different commercial establishments and hotels. These beneficiaries benefit by way of supplying different kinds of basic commodities to the tourists mainly from outside region. The suppliers and traders are mainly involved in maximising their own benefits. However, the lower income group people, by and large, are not benefited as a result of tourism in the region. Contrary to this, the lower income groups living in neighbouring villages of the tourist centres are forced to buy commodities and goods at much higher prices during the tourist season. This is so because the general price level of commodities which are supplied from outside hill region generally increases with the increase of the volume of tourists and as a consequence of the increased demand for different commodities and goods.

Analysing our sample data, it is estimated that the overall sale price of different commodities and goods taken together was more than 164 per cent higher than the purchase price of the respective commodities. Considering this estimated price differences existing between the sale and purchase prices of commodities handled by different establishment in different tourist centres one can easily have an idea of the margin of profit which is being generated by the owners of the shops and establishments.

Further, attempts have been made to examine the economic implications of tourism through analysing the differences



prevailing in the total volume of sale during peak and off seasons. It is expected that the volume of sale during off season would go down substantially because hardly any tourist visits in Garhwal region during off season particularly during winter season. During off season a significant proportion of the shops, establishments and hotels remain closed while few of them remain open to cater to the basic requirements to the local people.

According to the estimates of our study it revealed that the contribution of tourism is over 70 per cent in the total turnover/sale of Rs.2.17 crores in the various establishments of tourist centres. And the goods/articles worth Rs.66 lakh were purchased by local people during off season. Peepalkoti is observed as the most important halting centre of the tourists while returning from the Badrinath shrine. As a result of this the sale of different articles and goods is reported to be highest in Peepalkoti during the tourist season (88 per cent) as a whole and also during off season (42 per cent) as compared to remaining halting centres. In other words, it may be pointed out that the contribution of tourism is most effective in the case of Peepalkoti as compared to other centres on the tourist route of Badrinath Temple.

It was observed that the income generated through tourism was relatively higher during the end of the peak season (36.20 per cent) as compared to the beginning of

tourist season (33.37 per cent). This is seen in the fact that the tourists spend significantly larger amounts in the purchase of different commodities, hospitality and stay at different halting centres while returning from the tourists centres as compared to what they spent while on way towards the destinations. The most important halting centre of tourists, after the Peepalkoti, is Nandprayag where the turn-over of different establishments increased to 73 per cent during tourist season, in fact the corresponding figure was reported to be 43.08 per cent for off peak season of the tourists. The impact of tourism was recorded to be lowest for Chamoli where the contribution of turn-over in the overall volume of turnover was almost same during the peak, off-peak and lean seasons. Although, during peak and off peak seasons together the share of turn-over was about 67 per cent.

Over and above this it was also observed that as a result of increasing concentration of tourists halting at Peepalkoti and Nandprayag various types of small hotels and Dharamshalas have increasingly been established by the people over the years. There are 38 hotels and restaurants, representing over 42 per cent of the various types of establishments of the all sample towns, are found in the small town like Peepalkoti. Similarly, the share of hotels and restaurants was 30 per cent in the total establishments of the Nandprayag. In all a significant level of contribution of tourism, by way of an increase of turnover of

different establishments was witnessed in all the halting centres along the Badrinath route. However, the level of contribution was found varying among different centres marginally.

Table 7 : PATTERN OF SALE OF GOODS/ARTICLES DURING DIFFERENT TOURIST SEASONS

(Sale in Rs.)

Centres	Peak Season	Off Peak Season	Off Season	Total
Srinagar	3677300 (32.88)	4003900 (35.80)	3503295 (31.32)	11184495 (100.00)
Karn- prayag	702850 (35.49)	717500 (36.23)	560000 (28.28)	1980350 (100.00)
Joshi- math	565700 (34.79)	549750 (33.81)	510550 (31.40)	1626000 (100.00)
Rudra- prayag	1357550 (33.26)	1508440 (36.96)	1215300 (29.78)	4081290 (100.00)
Gochar	265000 (32.52)	320000 (39.26)	230000 (28.22)	815000 (100.00)
Peepal- koti	207000 (35.69)	242500 (41.81)	130500 (22.50)	580000 (100.00)
Nand Prayag	115000 (30.03)	165000 (43.08)	103000 (26.89)	383000 (100.00)
Chamoli	366000 (33.40)	365000 (33.30)	365000 (33.30)	1096000 (100.00)
All Centres	7256400 (33.37)	7872090 (36.20)	6617645 (30.43)	21746135 (100.00)

Notes : Figures in brackets indicate the percentages of the total of respective centre

Further, an attempt was also made to find the extent of economic benefits which have been derived by different types of economic activities as a result of tourism during past tourist seasons. Grouping the different economic activities into six broad categories, we observed that all the groups of economic activities have benefited in terms of increase of annual turn-over in their respective business during the tourist season. However, significantly larger gains have gone in favour of hotels and restaurants (74 per cent) followed by repairing and servicing establishments, photographers and related activists (73 per cent) and vegetable and fruit establishments (70 per cent). However, lowest level of benefit is derived by the establishments which are engaged in providing personnel services to the tourists at different halting centres (64 per cent).

The analysis also revealed that the increasing contribution of tourism is relatively higher during off peak season of tourists in the case of most of the economic activities particularly those who are engaged in repairing activities (38.72 per cent), hotels and restaurants (38.14 per cent), tailoring and sale of ready-made garments and clothes (38.04 per cent) and for service sector (37.40 per cent). However, the corresponding share in the turn-over during peak season of tourists varied highest from 37 per cent for the sale of vegetables and fruits to lowest at 27 per cent for those who are engaged in the service sector. But the turnover during off season of tourists declined

significantly in the case of different economic activities. The turnover during off season touches the lowest level in the case of hotels and restaurants (26 per cent) followed by repairing and photography (27 per cent), sale of vegetables and fruits (30 per cent) while the service sector is found least effected by the tourism as the contribution of turnover during off season is reported to be 36 per cent.

Table 8 : SALE OF DIFFERENT GOODS AND ARTICLES DURING DIFFERENT TOURIST SEASONS

(Value in Rs.)

Type of Establishment	Peak Season	Off Peak Season	Off Season	Total
Eating/Tea Stall	974900 (35.98)	1033400 (38.14)	701500 (25.87)	2709800 (100.00)
Vegetable, Fruit & General Stores	2277950 (36.86)	2054950 (33.26)	1846450 (29.88)	6179350 (100.00)
Tailoring & Cloth shops	1184000 (31.71)	1420500 (38.04)	1129550 (30.24)	3734050 (100.00)
Service	1029500 (26.55)	1450150 (37.40)	1398050 (36.05)	3877700 (100.00)
Repairing & Other Shops	1517050 (34.01)	1609090 (36.08)	1334050 (29.91)	4460190 (100.00)
Auto Repairing & Photographic	273000 (34.78)	304000 (38.72)	208045 (26.50)	785045 (100.00)
All Establishments	7256400 (33.37)	7872090 (36.20)	6617645 (20.43)	21746135 (100.00)

Note : Figures in brackets indicate the percentages to total

Finally, an exercise is carried out regarding the net addition incurred in the form of increase in the volume of turn over by different economic activities as a result of tourism. For this purpose, the volume of turn over achieved by different types of establishments during off season of tourism is taken as the base of general turn over. We thus found that the net impact of tourism is aggregated to be 28.61 per cent in the turn over of various economic activities at the different halting centres of the tourists taken together. However, highest level of benefits of tourism is found derived by hotels and restaurants (84.29 per cent) followed by repairing and photography (46.12 per cent) while the corresponding figures for service sector are estimated to be lowest at the level of 2.07 per cent points only.

### CONCLUSIONS

Development of tourism on a systematic and comprehensively planned manner could be an important measure for the creation of employment and income opportunities in different economically backward regions such as Uttarakhand. In Uttarakhand, the problem of the creation of additional employment opportunities in accordance with the growth in labourforce has been widely recognised as a serious socio-economic problem by the planners, policy makers, social reformers and individuals who are seriously involved in the

various aspects related to the development problems of the region.

Considering the extent of problem experienced in the development of Uttarakhand during last development plans the present study has attempted to examine the contribution of tourism in the development perspectives of different economic activities and its possible impact in favour of the creation of employment and income opportunities in the region. It was evident that the development of tourism on the tourist route of Badrinath and Kedarnath has given the opportunities to the local people to open different types of economic activities at different halting centres of the tourists. More or less the farming community people were found as the main beneficiary among the local people in this regard. They have been able to obtain reasonable prices for their agricultural produced. The local goods and articles which are handled in various shops and establishments are seasonal fruits, vegetables, milk and food products which altogether, however, have only 5 percent contribution in the turnover of all the economic activities. A major proportion of the quantum of goods and articles handled by different establishments is mainly supplied from outside the region. But the people engaged in different economic activities are mostly from Uttarakhand region. A significant proportion of shops and establishments were also found providing employment opportunities on wage basis to the un-employed youths. Average employment per unit is estimated to be 2 persons, in



fact 13.06 percent establishments were reported to have employed more than 5 persons followed by 31 percent establishments had employed between 3 to 5 persons each.

The volume of turnover of different types of economic activities has increased considerably as a result of tourism development. The contribution of tourism in the economic benefit derived in the form of increase in turnover of different establishments is noted to be around 70 percent. However, the respective contribution of tourism was highest for Peepalkoti and Nandprayag halting centres of tourists. It was also indicated that the tourists spend larger amounts on the purchase and the availment of different facilities during the off peak season of tourism and while they return back from the main tourist destinations - Kedarnath and Badrinath. The Peepalkoti is observed as the most important halting centres of tourists where the hotels and restaurants are increasing rapidly. Also the highest level of economic benefit is derived by the hotels and restaurants as compared to remaining economic activities in different halting centres.

The study has well recognised the fact that little efforts have been undertaken by the Government as well as local institutions, including private sector, to promote tourism on the pattern of area specific conditions and requirements. The advantages of area specific natural beauty and different elements which have been attracting increasing number of tourists over the past decades has also been



depleting. Lack of initiatives in promoting and developing tourist areas coupled with the lack of planning approach based on area specific fragility and systems initiated by the Government for developing tourism sector in the past has been playing an important role in the degradation of environmental and ecological system of the tourist areas. The contribution of private sector in promoting tourism has been limited upto supplying different articles and goods and providing the facilities of accomodation and transportation to the tourists so as to maximise their own incomes and profits. Even the goods and articles satisfying the needs of tourists are mainly supplied by traders, mostly migrant traders from outside region. So the limited benefits which are derived from tourism are available to migrant traders. This is basically due to the poor development of tourism related productive activities and lack of entrepreneurship and investment capability among local people.

#### POLICY PERSPECTIVES AND SUGGESTIONS

Lack of a well defined policy perception of the role of tourism in the regional development has resulted in high leakages and weak linkages with the productive sectors in general and in the perspective of its contribution to the area's development. In much a situation of poor development and lack of linkages with the process of development of the region, the important issues emerging for consideration are:

one, what should be a concrete policy option and planning strategy to derive the maximum advantages of the available potentials of tourism in the process of economic development; second, how the tourism activity can be promoted further for deriving increasing benefits on sustainable basis with its minimum adverse effects on the environmental and ecological systems, and finally, how the derived benefits from developing tourism activity could reach to the poor and disadvantages sections of society, including women.

The suggestive measures for achieving above mentioned basic goal of tourism would require an integrated approach of planning for developing tourism activity with different productive activities supporting to end are linked with tourism, indirectly or directly. The tourism policy based on mountain specificities and local perceptions would be a desirable and additionally important element from the view point of challenges imposed by developing tourism on the environmental and ecological system of the region.

Thus two-way development approach, one developing infrastructural facilities in different tourist areas; and two, developing various traditional craft and area specific productive activities, confined on the use of endogenous production technology and using their family members, including women, would be a comprehensive planning for promoting tourism activity and providing its development benefits to different segment of population. Planning for developing integrated approach for promoting tourism activity

in this manner would require sizeable investment, institutional support and Government intervention in properly implementation of the programme. The on going rural development programmes introduced for generation of employment and income opportunities could be linked with developing tourism related activities. And the Government should intervene to and for investment in infrastructure development by involving local institutions in proper implementation of tourism development programme. The participation of local people and institutions has also to be encouraged in promoting local environment and relevant elements, which are greatly associated to influencing tourism activity, in management and maintenance of available infrastructural facilities and natural resources of the tourist areas. The participation of private sector in promoting hotels and transportation facilities has been appreciated though their main motive behind developing these facilities has been maximisation of their own income and margin of profit; further participation of private sector should be encouraged for increasing investment in certain thrust areas for influencing the development of tourism activity.

It may finally be concluded that Uttarakhand Himalaya has the area specific comparative advantages of promoting different types and categories of tourism and tourism related activities based on available local natural resources and endogenous technology used in the utilisation and

management of these resources. Developing tourism and linked activities with it with minimising the challenges of environmental and ecological problem to a certain extent could solve the presently existing employment and income problems in the region. So the planning for tourism and the policy should aim to promote gainful employment; to promote production potentials based on comparative advantages and marketing opportunities for local production; to promote the skills and capabilities of local communities; to promote the accessibility of the local people to basic health and education; to promote economic financial support systems, requisite technology, and the related extension and credit facilities needed for tourism related activities; and to promote women's involvement in community development.

## REFERENCES

1. Bisht, H., Himalaya Tourism in Uttarkashi and Chamoli District of Garhwal : A Study in Economics of Tourism (Ph.D. Thesis), Garhwal University, Srinagar, 1993.
2. Kala Shankar, Socio-Cultural Impact of Tourism - Study of Religious and Lingistic Impact : A Case Study of Garhwal Himalaya, Chada S.K. (ed) Ecology of Eastern Himalaya, Ashish Publishing House, 1990.
3. Kaur Jagdish, Badrinath : A Study in Site Character Pilgrim Pattern and Process of Modernisation; Raha, M.K. (ed), The Himalayan Heritage; Gian Publishing House, Delhi, 1987.
4. Mehta G.S., Planning for Development of Mountain Areas: A Case of Uttarakhand, U.P. India, ICIMOD, Kathmandu, Nepal, 1997.
5. Mehta, G.S., Constraints in the Development of Uttarakhand, Giri Institute of Development Studies, Lucknow, 1995.
6. Mehta, G.S., Development Prospects of Uttarakhand; Indus Publishing House, New Delhi, 1996.
7. Sharma Pitambar, Tourism for Local Community Development in Mountain Areas: Perspectives, Issues and Guidelines, ICIMOD, Kathmandu, Nepal, 1995.
8. Singh, T.V., Tourism and Tourist Industry in U.P.; Heights Delhi, 1980.
9. Singh, T.V., Opening Garhwal for Tourism Towards Research Based Planned Development, The Himalaya, Vol.I, The Institute of Himalayan Studies, Srinagar, 1977.
10. Singh, T.V. and Kaur J., Role of Tourism in the Regional Development of the Himalayas; Case of Uttarakhand; Papola, T.S., Joshi, B.K. and Others (eds) Development of Hill Areas; Issues and Approaches; Himalaya Publishing House, 1993.